



Minnesota Supreme Court Legal Services Advisory Committee

FY15 Annual Report
Submitted November 12, 2015

The Legal Services Advisory Committee shall work to ensure its grant making procedures promote statewide access to legal services for low-income Minnesotans and lead to effective use of funding by grantees.

Letter from the Chair

I am pleased to present the annual report of the Minnesota Supreme Court's Legal Services Advisory Committee (LSAC) for activities between July 1, 2014 and June 30, 2015 (FY15).

LSAC has been making grants to support civil legal aid since 1982. This funding supports legal services to low-income Minnesotans in every county in the state, with more than 48,000 clients served by LSAC grantees in 2014. This report details the distribution and impact of \$14,586,000 in funding administered by LSAC in FY15. While grant making continues to be the core function of the committee, LSAC has also been charged with planning, data collection and priority setting to support an effective and innovative legal services delivery system. I am proud to report that LSAC has undertaken the following efforts to be responsive to this increased charge from the court.

- LSAC has implemented outcome measure reporting from all grantees providing full representation services. The outcome measure data provides much more detailed information on the benefits received by clients and their families. The data summary in this report includes this outcome measure data for the first time.
- LSAC has begun exploring the potential for business process analysis to increase the client service impact of our funding. With pro bono assistance from expert business partners, we have coordinated "LEAN" training to representatives of nearly every funded program, and undertaken a project to examine the statewide civil legal aid intake system.
- LSAC received a national grant to increase connections with private foundations in the state. LSAC used the grant funding to become the first government funder to join the Minnesota Council on Foundations (MCF) for one year. On April 30, 2015, LSAC hosted a symposium for foundation staff to share information about the impact of funding civil legal aid and to help private foundations understand the difference between the fully government funded public defender's office and the nonprofit civil legal aid organizations that rely on private investment for a significant portion of their funding.

In my time as chair of LSAC, I have been impressed by the quality of civil legal aid in Minnesota and by the commitment of legal aid organizations to continuously improve the system to the benefit of low-income Minnesotans. LSAC is focused on grant making and planning efforts to ensure that public funds flowing through the Minnesota Judicial Branch continue to be well managed and impactful statewide.



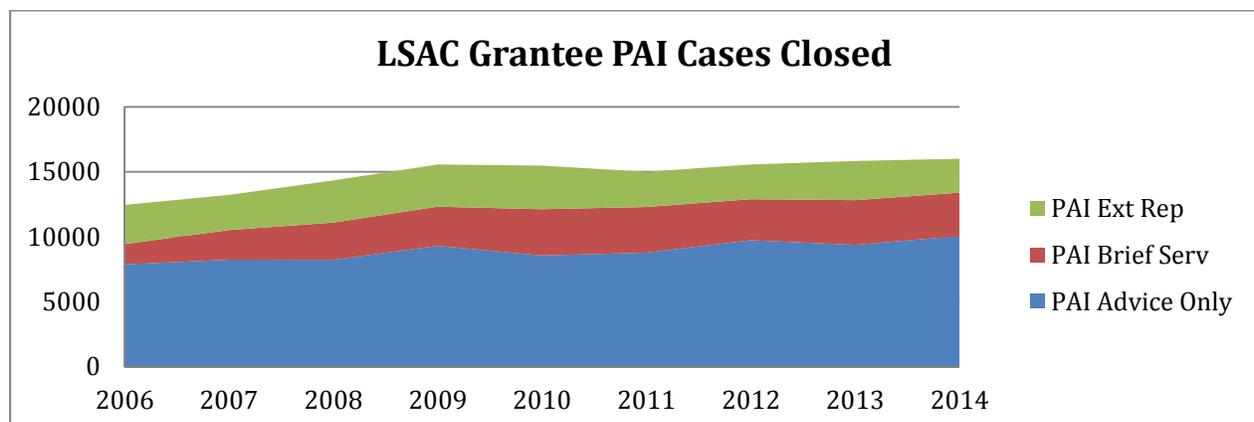
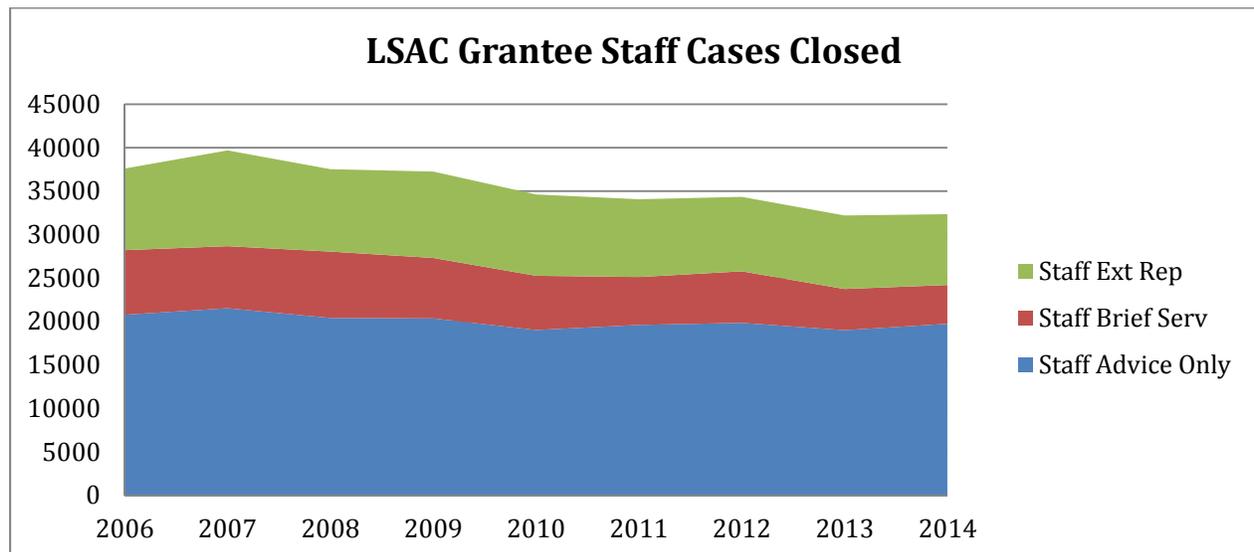
Sincerely,

Christopher Wendt
Chair

Clients Served

LSAC focuses its grant making on programs that benefit low-income Minnesotans facing critical legal needs. LSAC guidelines provide that grants can be used to serve clients at or below 200% of the federal poverty guidelines, defined as less than \$47,700 per year for a family of four.¹ According to the most recent Census data available, there are more than 1.41 million Minnesotans (26% of the state's population) living at or below 200% of poverty.²

The economic downturn had a dramatic impact on the number of people that legal aid programs were able to serve. The following charts show many years of decline in staff cases due to their decreased funding, while there were gains in pro bono cases as more private attorneys volunteered their services. With the increased legislative funding in 2014, the number of staff cases closed has started to increase. Growth continues in pro bono cases, with increases continuing in brief service and advice clinics, including partnerships with court self-help centers and law libraries.



¹ 2014 Poverty Guidelines, U.S. Dept. of Health and Human Services

² 2013 American Community Survey 5-Year Estimate.

LSAC Grantee Calendar Year 2014 Case Data Summary

Total Cases Closed: **48,344**

- 32,284 cases (67%) closed by staff attorneys at legal aid programs
- 16,060 cases (33%) closed by private attorneys through pro bono or Judicare

Total People in Households Benefitting from Service: **102,644**

Client Demographics:

Gender – **65%** Female, **35%** Male

Age – **5%** Under 18, **79%** 18-59, **16%** Over 60

Race – **49%** White, **28%** Black, **12%** Hispanic, **4%** Native American, **4%** Asian, **3%** Other

Case Types:

25% Housing, **24%** Family, **12%** Consumer, **11%** Immigration, **11%** Income/Health Benefits,
17% Other (includes employment, education, estate planning, expungement, tax, juvenile, etc.)

Dollar Benefits Achieved for Clients: **\$32,051,936**

- \$19,406,386 in existing income or benefits protected for clients
- \$12,645,550 in new income or benefits established for clients

Major Non-Dollar Benefits Achieved for Clients:

Major Benefit Was Achievement of Legal Objective through Extended Representation

Clients better able to pay for daily necessities – **3,865**

Clients less likely to be harassed by creditors – **2,313**

Clients in a better position to keep or find a job – **2,388**

Clients in a better position to keep or find housing – **3,949**

Client has improved housing conditions – **1,623**

Client is physically safer (including OFP or safety plan) – **3,434**

Client has improved quality of life – **7,534**

Major Benefit Was Access to Legal Information, Advice, or Brief Service

Clients with access to legal advice – **29,812**

Clients with access to brief services – **7,788**

Individuals who received automated court form assistance through lawhelpmn.org – **9,884**

Individuals who were assisted with live chats to navigate lawhelpmn.org – **1,428**

Site visits to access legal information through lawhelpmn.org - **458,223**

LSAC Funding Sources

LSAC is responsible for the management and distribution of grant funding from three primary³ sources: an appropriation from the Minnesota legislature, the Interest on Lawyer Trust Account (IOLTA) revenue and a portion of the lawyer registration fee.

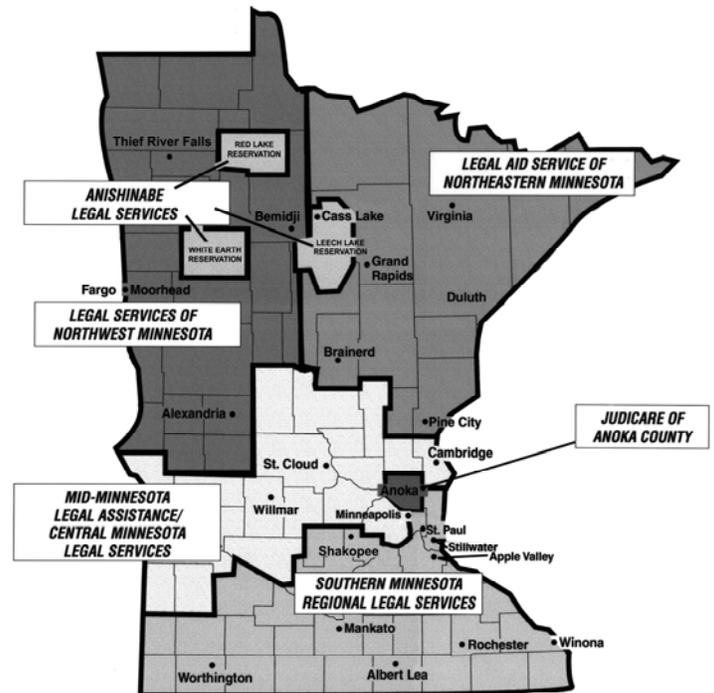
FY15 Legislative Allocation – \$12,266,000

The Minnesota Judicial Branch has administered legislative funding for civil legal services since 1982. Sections 480.24 through 480.244 of Minnesota Statutes govern this appropriation. The statutory framework creates two pools of funding:

- LSAC distributes 85% of the appropriation based on a per poverty population formula to organizations that were eligible to receive federal legal services funding on July 1, 1982.
- The remaining 15% of the appropriation is distributed by LSAC in the form of discretionary grants.

Legislative rider language dedicates \$877,000 of the total appropriation to family law services through the same per poverty population formula controlling the 85% funds. The table below shows the organizations that received per poverty population funding and the map shows the corresponding service areas.

Anishinabe Legal Services: \$133,813
Judicare of Anoka County: \$396,809
Legal Aid Service of Northeast Minnesota: \$1,155,716
Legal Services of Northwest Minnesota: \$948,274
Mid-Minnesota Legal Aid: \$3,890,057
Southern Minnesota Regional Legal Services: \$4,032,981



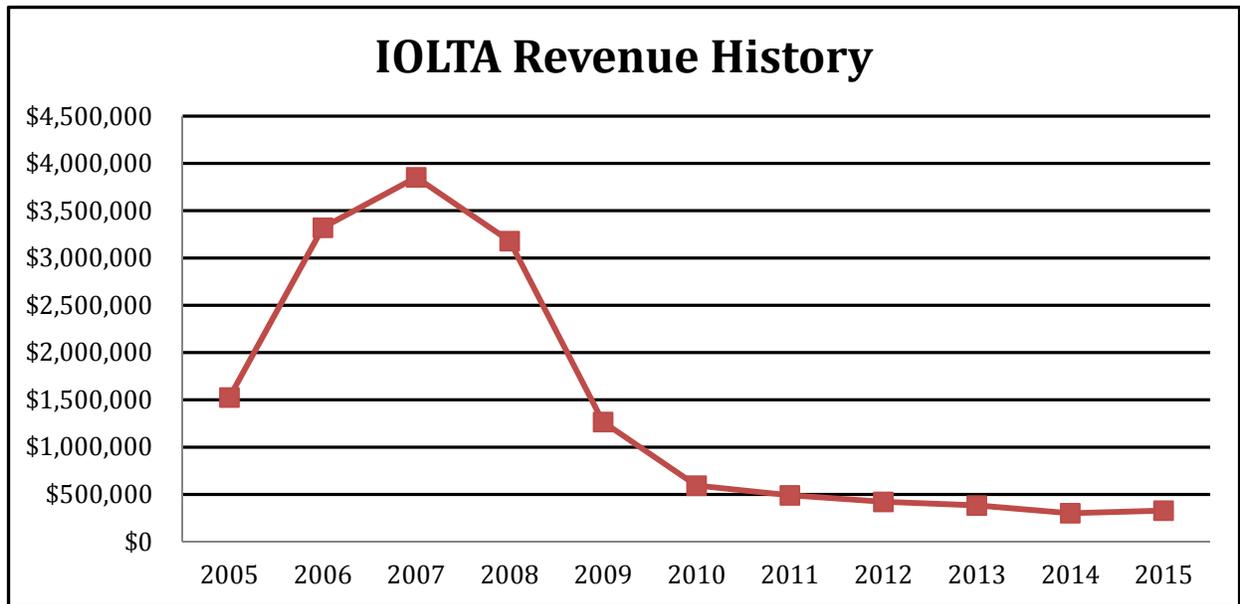
After these formulaic distributions, LSAC had \$1,708,350 available from the 15% funds to add to the other discretionary grant funding sources.

The discretionary grant awards are detailed in the next section (LSAC Grant Making).

³ The court has also tasked LSAC with the management of the Lawyer Assistance Program (LAP) portion of the lawyer registration fee. LSAC reports separately to the court every June on the LAP budget and the contract with Lawyers Concerned for Lawyers. The LAP funding is not included in this document.

FY15 IOLTA Revenue – \$328,376

In 1983, Minnesota was the first state to create a mandatory IOLTA program by court rule. As an interest rate dependent funding source, IOLTA revenue has fluctuates dramatically over time. The Lawyer Trust Account Board⁴ recognized that the cyclical nature of the IOLTA revenue made it difficult to provide stable funding to civil legal services programs. The board adopted a reserve policy that worked to save money in the higher years to offset cuts in the lower interest years. The last of the reserve is being used with the FY15 grants. Until interest rates go up again and the reserve can be rebuilt, LSAC will have to carefully estimate revenue and only make grants in the amount that is received each year.



FY15 Lawyer Registration Fee Revenue – \$1,969,916

The Minnesota Supreme Court has dedicated a portion of the lawyer registration fee to civil legal services since 1997. In 2009, the court increased the fee to offset a portion of the IOLTA decline, which generated an additional \$600,000 per year. That increase was made permanent by court order in 2011. Under current court rule, \$75 from the full lawyer registration fee is allocated to LSAC to support civil legal services.

The lawyer registration fee is the most stable funding source for the civil legal services grant programs. The lawyer registration fee funding is used for all of the administrative costs needed to manage the civil legal services and alternative dispute resolution grants. At this time, LSAC manages the entirety of its grant funding sources with an administrative overhead of less than 2%. Administrative costs include one full-time staff person and one part-time data entry contractor, as well as meeting and travel costs. The committee has also set aside a small amount of administrative funding for special projects, including strategic planning, research and evaluation.

⁴ The Lawyer Trust Account Board (LTAB) managed IOLTA funding from 1983 through 2010, when the court consolidated LTAB and LSAC to improve grant making efficiency.

LSAC Grant Making

LSAC had \$4,028,350 available from all funding sources for FY15 discretionary grants.⁵ The committee received grant applications from 30 eligible organizations requesting a total of \$5,087,256 in funding. LSAC set its funding priorities based on the 2013 court order redefining the charge to the committee. These priorities included grants that would: 1) ensure a base level of access to civil legal services in all Minnesota counties; 2) further coordination with legal services providers, including court and law library self-help services; and 3) further the innovative use of technology or other approaches to support integrated civil legal services infrastructure for staff, pro bono, and Judicare programs.

Based on the information provided through the grant applications and an interview with each applicant organization, LSAC awarded the following FY15 grants:

Anishinabe Legal Services	\$26,000
Battered Women's Legal Advocacy Project	\$22,000
Central Minnesota Legal Services	\$160,000
Children's Law Center of Minnesota	\$43,000
Estate & Elder Law Services at Volunteers of America	\$25,000
Farmers Legal Action Group, Inc.	\$65,000
Immigrant Law Center of Minnesota	\$210,000
Indian Child Welfare Act Law Center	\$71,250
Legal Assistance of Northeast Minnesota	\$231,000
Legal Assistance of Dakota County	\$116,000
Legal Assistance of Olmsted County	\$49,000
LegalCORPS	\$10,000
Loan Repayment Assistance Project	\$6,000

Legal Services of Northwest Minnesota	\$189,000
Minnesota AIDS Project	\$17,000
Minnesota Disability Law Center	\$164,000
Minnesota Justice Foundation	\$110,000
Mid-Minnesota Legal Aid	\$730,000
Neighborhood Justice Center	\$9,000
Southern Minnesota Regional Legal Services	\$735,000
State Support	\$258,000
The Advocates for Human Rights	\$55,530
Tubman	\$96,000
Volunteer Attorney Program	\$252,000
Volunteer Lawyers Network	\$382,000

⁵ LSAC makes two year grants, matching the biennium. The grants listed are one year of the FY14-15 cycle.

Upcoming LSAC Projects in FY16

Although the focus of this report is on activities conducted in FY15, LSAC has several exciting initiatives this upcoming year.

Ongoing Strategic Planning – LSAC is working on long term strategic planning that will involve all grantees in examining what civil legal aid in Minnesota should look like ten years from now. It has been ten years since the report of the Minnesota Supreme Court Legal Services Planning Commission. Now is a good time to reflect on the work of the past decade and plan ahead for improving our system in order to serve the most low-income Minnesotans in need of legal services.

Ongoing Business Process Analysis Projects – LSAC is working on a Voice of the Customer analysis of the civil legal aid intake system to determine what changes can be made to improve the service and referrals made to legal aid clients statewide. LSAC has also trained all grantees on basics of business process analysis tools and will be working with the grantees to determine what efficiencies can be made to ensure that we are serving as many low-income Minnesotans with legal needs as possible.

In Closing

LSAC is a very active committee. The members are all volunteers who put in many hours per year. Their work includes holding stakeholder meetings to get input from civil legal services programs, working as a group to set funding priorities, reviewing grant applications, and making the final funding decisions. LSAC will continue to work diligently to fulfill its mission to ensure its grant making procedures promote statewide access to legal services for low-income Minnesotans and lead to effective use of funding by grantees.

LSAC Membership 2014-2015:

Mohamed Abdi (St. Paul), Client Member
Cynthia Barrientos (Burnsville), Client Member
Matthew Boos (Minneapolis), Attorney Member
Patrick J. Burns (St. Paul), Attorney Member
Katherine Hadley (St. Paul), Public Member
Nancy Kleeman (Minneapolis), Public Member
Peter Knapp (St. Paul), Attorney Member
Laurence McDonough (Minneapolis), Attorney Member
David Moeller (Duluth), Attorney Member
Randi Roth⁶ (St. Paul), Attorney Member
Nicolas Slade⁷ (St. Paul), Attorney Member
Christopher Wendt (Rochester), Attorney Member

⁶ Term began January 2015.

⁷ Term ended January 2015.